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NATIONAL DEFENSE

Report of Committee to the Board of Directors



CHAMBER OF COMMERCE
of the
UNITED STATES
February, 1920

This report of the Committee on National Defense of the Chamber of Commerce of the United States was considered and approved at the meeting of the Board of Directors of the Chamber on January 21, 1920, and the committee was authorized by the Board to take steps to make its recommendations effective.

The report is printed in this pamphlet for the information of the membership of the National Chamber.

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Report of the Committee on National Defense

*To the Board of Directors of
the Chamber of Commerce of the United States:*

The Committee on National Defense begs to submit the following report to the President and the Board of Directors:

The Committee began its work with an examination of the record of the Chamber's attitude on the general problem of national defense, as shown by Referendum No. 15, of April, 1916, and the Report of the National Defense Committee as submitted and adopted by the Fifth Annual Meeting, February, 1917.

The United States has progressed very far in knowledge and understanding of the national defense problem since April, 1916, but the principles laid down in the Referendum and in the 1917 report have proven themselves sound in the light of the past two years' experience and there is little occasion for the Committee to recommend that the Chamber should change its views on the main points now.

The reason for the present investigation and report is the inquiries now being made by the military committees of the Senate and the House looking toward the preparation of an army reorganization bill which will determine our future military policy.

The Committee notes that the first question submitted in Referendum No. 15 deals with the general problem as to whether or not the United States needs any prepara-

tion for war. It must be remembered that this question was proposed in 1915, when there was considerable discussion in the country at large as to whether or not the United States should do anything looking toward preparation for war. The Committee takes it for granted that the necessity for preparation demonstrated itself by April, 1917, but on the chance that there might be some persons who have reverted to the doubts of 1915, the Committee ventures to express its own opinion. Owing to present world complications, there is today more possibility of our being drawn into a great war than at any time in our history when no definite menace was apparent. The Committee further feels that the necessity for preparation for war is greater today than it was in 1915. The Committee feels that the United States in its present great position of world leadership must not permit that leadership to become ineffective. The Committee takes it for granted that the mere fact of its appointment demonstrates that the Chamber is as firmly convinced as it was in 1915 that preparedness is desirable and necessary. The vote on this question in the Referendum was 962 to 8 in favor of preparedness in its broadest sense.

As far as the Committee is aware, there is no suggestion now before Congress for drastic reorganization of the Navy. Therefore, that phase of the national defense problem has not been considered by the Committee.

In relation to the army reorganization, the Committee's view is that the problem naturally divides itself into three parts:

- First: The size and organization of the regular army.
- Second: The method by which the great army necessary in war was to be provided, and,
- Third: How the army of both peace and war was to be provided with the necessary munitions and supplies.

On the first of these three questions the Committee felt that the Chamber is not competent to speak. Whatever the personal views of the members of the Committee may be, the Committee was not willing to go into any discussion of the question or make any recommendations to the Chamber. This question is a highly technical one and should be handled and settled by people who are qualified experts on the subject. The Committee feels that the solution of technical public questions should not come as a result of non-expert but enthusiastic private opinion.

On the second question the Committee felt that the Chamber had already expressed its views and that the principle of universal military training had been accepted by the membership of the Chamber as being the only just and practicable way of using the man power of the nation in time of great emergency. The war with Germany certainly demonstrated that the citizens of this country believe in the principle of universal obligation to military service, and the enormous success of the operation of the selective service act during the war ends all argument as far as the universal training question is concerned. If a universal service army is the only proper army with which to fight a war, it is obvious that the simplest common sense would indicate that the plans for raising such an army should be worked out in time of peace and such training given as will make the problem of raising the army as simple as possible.

There is a perfectly sound and convincing argument to be made in favor of the universal military training question from the point of view of good citizenship and preparedness for peace, quite aside from its military bearing. The Committee takes it for granted that the members of the Chamber are thoroughly familiar with this question and assumes that this phase is one of the reasons why the Chamber has committed itself so unreservedly to the principle of universal training.

The question as proposed in Referendum 15 was as follows:

"The Committee—recognizing the military obligation equally with the civic obligation as a fundamental duty of democratic citizenship in a republic and to establish a system which will affect every man alike,—recommends that universal military training be adopted as a fundamental democratic principle of our military policy and be enforced by law to furnish adequate land, sea and industrial forces in peace and war."

The vote on this question was 889 votes in favor to 56 against, and the Committee considers that this vote is an ample mandate from the members of the Chamber of Commerce of the United States to continue the attempts to have the universal military training principle enacted into adequate law.

On the third question, namely, the problem of supply in its broadest sense, the Committee felt that the Chamber of Commerce was entitled to speak and be heard. The Committee has this feeling under the same theory which prompted it to withhold its opinions on the question of the size and organization of the regular army.

It is probable that no single business man who is a member of the Chamber was unaffected in his business by the efforts of the government during the war to provide munitions and supplies for the army. Many hundreds of the members of the Chamber were in the army, either directly concerned with the supply problem, or as members of the line of the army requiring the supplies. The weaknesses of the old system were apparent to everybody concerned with the problem very soon after the outbreak of the war, and the many changes in organization which were proved necessary resulted at best in a makeshift organization, but did not establish any method which could be satisfactorily incorporated as part of the permanent military policy of the United States.

The Committee is quite satisfied that one principle at least has been proven in connection with the supply problem for the government needs in time of war. This

principle is that within the War Department at least there are two distinct problems, both complicated, both technical and both requiring highly trained experts to solve. One of these problems is the military problem of raising, training and using military forces, and the other is the problem of providing equipment so that these troops may go into the field with an ample supply of all of the vast machinery required by modern war.

If this is true, it is obvious that there must be a military organization and a chief within the War Department, and that there must be a civilian business organization within the War Department, with a chief, to control the business problems of war.

As far as the Committee is aware, there is no proposal now before the Congressional military committees which recognizes this principle, although it has been brought out and advocated by the Assistant Secretary of War in hearings before the Senate Committee, as shown in Chart No. 1.

The chief difficulty of establishing such a system is that the problem is largely one of opportunity to secure personnel for the work. It is just as unwise to have inadequately trained men in a civilian capacity in this proposed industrial staff of the Secretary of War as it would be to have inadequately trained military men on the military staff of the Secretary of War. The industrial problem would not be active enough in time of peace to secure and hold civilians of adequate training to handle the work. There would be no career to justify their making it a life work. Further, it seems very clear to the Committee that the place in which a man should receive his training for this work is not in any governmental or military agency, but should be in the great industrial world which must necessarily be a training school for such work. Such military information as may be desirable will have been automatically acquired within a few years by the operation of the universal training clause, because the business men at that time will all have received their training as young men. Therefore, it seems to the Committee that this industrial staff of the

Secretary of War must be manned during peace time with officers of the army who are men of capacity and who will be available from among the officers of the great supply bureaus of the army. The principle may be maintained, however, by having the chief of the supply service so far as the industrial side is concerned a civilian who will bear the same relation to the Secretary of War that the chief of the general staff does in military matters. With this provided by law and the line of operation of business functions and military functions clearly drawn within the supply bureaus, the necessary war expansion may take place without dislocation and reorganization. Expansion itself is not too difficult, provided that the expansion does not destroy the organization which is expanding. It is desirable to keep this organization as small as possible during peace time.

The work of the industrial organization would not be very great in peace time, but it would be exceedingly important, and it would require as its chief a man of great experience and vision. It should attack at once the problem of preparing the industries and the government for smooth and rapid cooperation in case of war. It could readily provide that the great scramble and uncertainty of early 1917 should not occur again. The basis of the government supply contracts, and possibly even the terms of the contracts could be arranged in time of peace so that the danger of losing the stockholder's money would not confront the manufacturer, nor would the possibility of excessive profits be shining before the eyes of the profiteer. All wars of the future will be, even more than this last war, wars of industry. A nation which has the greatest potential power and the best means of changing this potential power into active opposition to the enemy will win the next war, and it is folly for the United States, with the greatest potential industrial power in the world, to let inattention and carelessness prevent the use of that power for the national safety. The United States should no longer be viewed by manufacturers as an undesirable customer, and unless some such system as is suggested is set up which can be operated in peace

time, it will continue to be so regarded. The distrust of the manufacturer by the military man is a perfectly natural manifestation, and the feeling on the part of the manufacturer that the military man does not know or appreciate his problems is equally as natural. There are in the country now hundreds of business men and military men who have learned each other's problems through the experiences of this war, and a system must now be devised so that that knowledge may be perpetuated in the successors of both the military men and the manufacturers to the end that it shall not be necessary to have it learned over again when the next war breaks upon us. If there never is any next war, the system will have produced a very excellent mutual understanding between the industries of the country and the government of the country for the purposes of peace.

Your Committee is firmly convinced that the principle is a sound one and it would be glad of the opportunity to assist in securing the enactment into law of proposals looking to this end. The Committee feels that there is ample mandate for the Chamber's offering and giving such assistance in Referendum No. 15, although it is not specifically covered in the questions voted upon.

The Committee therefore requests from the Board of Directors authority to urge before Congress the passage of bills which may be introduced covering this principle, or if no such bills are introduced, to attempt to have one introduced.

The Committee read with interest the proposal which was made before the Senate Committee that a coordinating officer, possibly called a Secretary of National Defense, be provided by law, responsible directly to the President, who should concern himself with the broad questions involved in the national defense problem. It has been proposed that such officer have no administrative duties but would be the point of contact between the President and the War and Navy Departments, as well as the Department of the Air, if such department is set up.

The chart as below indicates the position that such a man would hold in the defense organization of the country. This office would correspond exactly in certain features of its work with what was referred to in Referendum No. 15 as the staff of industrial mobilization, that is, the proposed Secretary of National Defense would be the Chairman of the War Industries Board and of the other necessary war boards which must be created in time of war.

The Committee agrees that such an office is desirable and requests authority from the Board of Directors to support before Congress legislation looking to the establishment of such an office in so far as the proposed legislation comes within the view of question No. 3 of Referendum No. 15.

The Committee feels that from its examination of the Chamber's past attitude on questions referred to, it is really an instruction to proceed by all legitimate means to secure the carrying out by legislation of the wishes of the Chamber and will immediately engage in that work if this view is held by the Board of Directors of the Chamber.

There has been much discussion of a proposal to create a separate air department. The Committee has not been certain that this question is under its jurisdiction at this time, but if in the opinion of the Board of Directors it should be considered as part of the problem of national defense and if the Board of Directors so desires, the committee will give the matter its attention and submit its recommendations later.

COMMITTEE ON NATIONAL DEFENSE,

BASCOM LITTLE, *Chairman.*

RALPH CREWS,

EVERETT MORSS,

PHIL SPAULDING,

W. C. SPRUANCE,

GUY E. TRIPP,

W. L. WRIGHT.

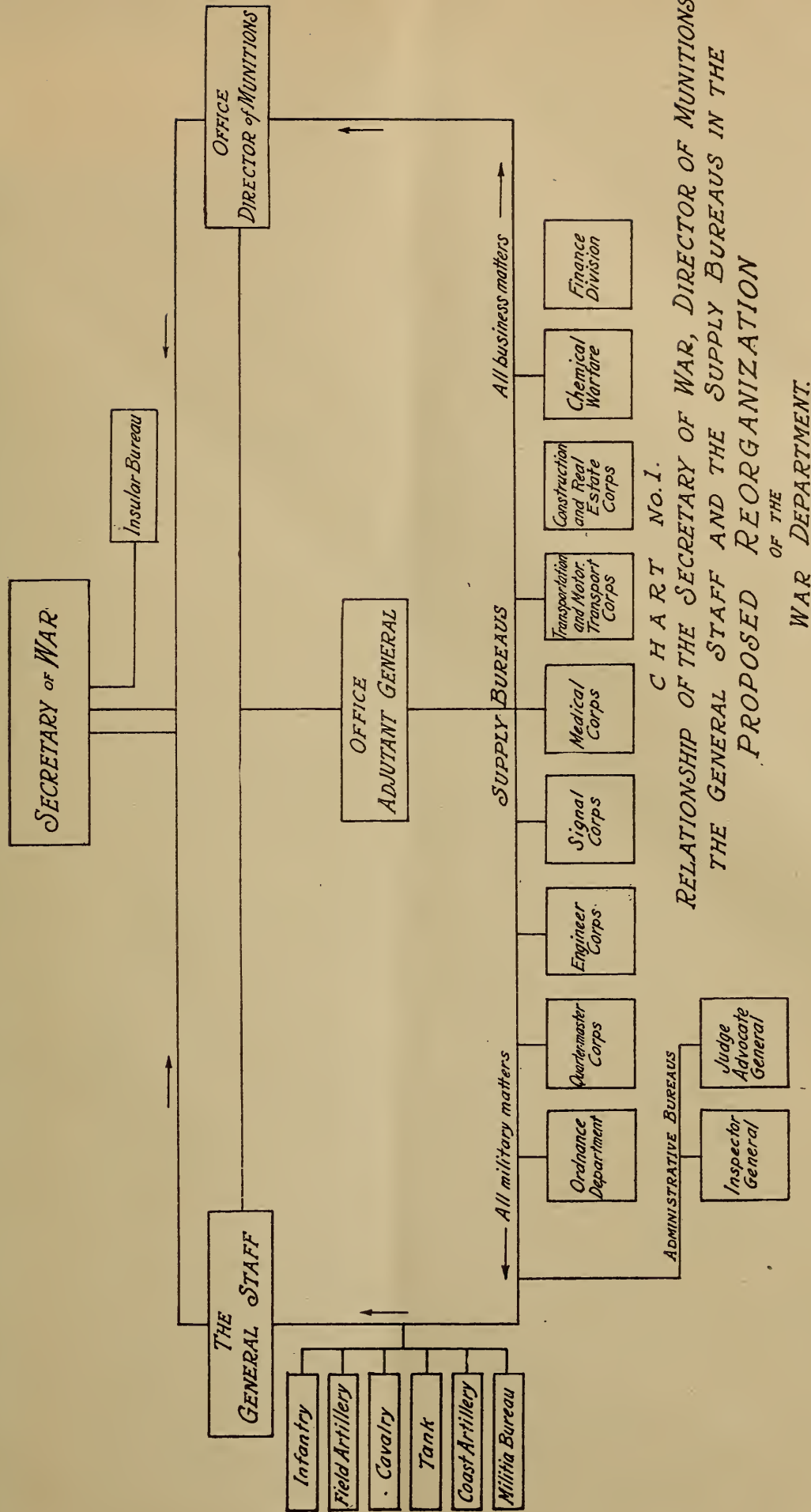


CHART No. 1.
 RELATIONSHIP OF THE SECRETARY OF WAR, DIRECTOR OF MUNITIONS
 THE GENERAL STAFF AND THE SUPPLY BUREAUS IN THE
 PROPOSED REORGANIZATION
 OF THE
 WAR DEPARTMENT.

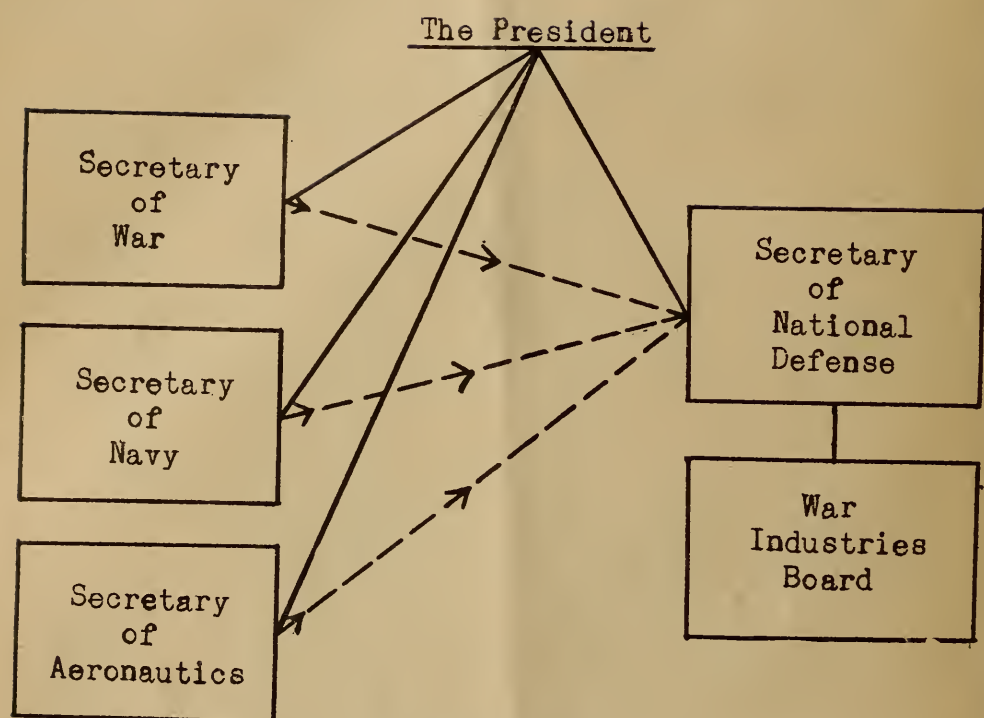


CHART No. 2.
Proposed Plan for Secretary of National Defense.

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